

ECON 201B: INTRODUCTION TO MACROECONOMICS

Syllabus

Summer 2017

Instructor:	Yurim Lee	Time:	MTWThF 10:50–11:50am
Email:	yrlee88@uw.edu	Place:	Condon Hall 125
Office Hours:	Mondays 1–3pm	Office:	Savery Hall 319H

A Few Words: Welcome to ECON 201B Introduction to Macroeconomics class! My name is Yurim Lee and I will be your instructor for Summer 2017. Please feel free to call me Yurim. You can find out more about me at <https://sites.google.com/uw.edu/yurimlee>.

Office Hours: Mondays 1–3pm and by appointment, at Savery Hall 319H. Please email me if you wish to set up an appointment. Please allow me a few days for appointments outside regular office hours.

Course Page: <http://canvas.uw.edu/courses/1147726>

Slides from lectures, past exams, and any other relevant materials will be posted here.

Textbooks: The following is required for this class:

- Paul Krugman and Robin Wells, *Macroeconomics*, Worth, 4th ed., 2015., with LaunchPad.

Both the paperback and electronic version of the textbook is fine. If you wish to buy an earlier edition of the textbook, that is also fine. However, all the lectures and chapter numbers will be based on the 4th edition of the book. You will also be responsible for any differences between the 4th edition and any other editions of the textbook you decide to purchase. Note that you would still have to purchase an access code to LaunchPad.

Macmillan Learning offers LaunchPad + loose-leaf textbook bundle at \$90.00 (ISBN: 1319035906) and LaunchPad access only at \$75.00 (ISBN: 1319011020). LaunchPad includes an electronic copy of the textbook. More information can be found at <http://macmillanlearning.com/Catalog/product/macroeconomics-fourthedition-krugman/valueoptions#tab>.

Setting Up LaunchPad: Go to the Canvas webpage for our class, select Modules > Launchpad Homework. The class site for Launchpad will open in a new tab. Either enter your student access code, purchase access via online, or you can pay later - you will get a grace period of three weeks, after which you will need to pay.

Important Notice Regarding Class Schedule: Due to a conference I need to attend, **I am cancelling our classes on July 10-14th (Monday–Friday; 4th week)**. I will hold makeup classes for this week in our first three weeks of class. On **June 21st, 28th, and July 5th** (all Wednesdays), we will have two-hour lectures from 9:50am to 11:50am, in the same classroom.

Objectives: This course is primarily designed for undergraduate students who are being exposed to Macroeconomics for the first time. Economics is a great way to understand and analyze how people in a social setting interact economically. It is also powerful and attractive in that it makes analyzing economic and social phenomena possible. In particular, Macroeconomics looks at the aggregate behavior of an economy as a whole. We will learn about markets, (aggregate) supply and demand, prices, output, money, policies, and much more.

At the end of the course, a successful student should be able to:

- understand macroeconomics terminology and know how and when to use them,
- comprehend and explain how major macroeconomic models work,
- analyze economic and social phenomena using economic tools,
- understand the advantages and drawbacks of macroeconomic approaches.

Responsibilities: I strongly encourage studying in small groups with your peers to discuss the class material or go through practice problems together. If you are unsure about due dates or anything else, please ask your classmates first before emailing me. If there are additional materials other than the textbook used in class, I will post them on Canvas (under *Files*). It is your responsibility to follow and review the course material. It is very essential to sit down, read through the economic concepts, and practice using models and equations learned in class with pencil and paper. It does take time to get used to economic thinking, and since the concepts we learn earlier in the course keep appearing until the very end, it is very crucial that you review the materials in a timely fashion. You are also required to complete the Launchpad homeworks in time every week and attend written exams. **There is no making up for missed homework**, so I strongly recommend not leaving them until the last minute. Also, unless there are critical circumstances out of your control happening (such as sudden illness, accidents, etc., notified to me as soon as possible), I will not grant make-up exams. See the section for make-up exams below for more information.

The CLUE Program: Econ 201 is part of the CLUE Program on campus. The CLUE evening study sessions provide extra educational support for students. The CLUE dates and times for Econ 201A will be announced on CLUE website. The CLUE schedule online is at: <http://depts.washington.edu/aspw/clue/home/>.

EUB Tutoring: The Economics department offers tutoring to students who have a hard time with Economics-related courses. Tutoring is on a drop-in basis, usually first-come, first-served, though the tutor may consider the length of questions when deciding who to help first. Refer to the EUB Tutoring schedule online for more information: <http://depts.washington.edu/ecnboard/eub-tutoring/>

Course Topics and Chapters (subject to changes):

WEEK 1 (JUNE 19TH – 23RD)

- Introduction to economics: it all starts from scarcity of resources and opportunity cost occurring from choices. (Chapters 1 and 2)
- For any basic market in an economy, we have buyers and sellers. We will look at how supply and demand interacts and thus determines price and quantity of a good in a market. (Chapter 3)

WEEK 2 (JUNE 26TH – 30TH)

- Introduction to Macroeconomics and its history. (Chapter 6)
- Our points of interest when we talk about Macroeconomics: GDP, output, income, price level, and inflation. (Chapters 7 and 8)

WEEK 3 (JULY 3RD – 7TH)

- Long run growth: why do countries grow at different rates and have different levels of output? How do capital, human capital, infrastructure, and institutions play a role? (Chapter 9)
- What determines the amount that people save and firms invest? We look at how savings and investment are determined in capital and financial markets. (Chapter 10)

WEEK 4 (JULY 10TH – 14TH): NO CLASS

WEEK 5 (JULY 17TH – 21ST)

- July 17th: Review for Midterm
- July 18-19th: Midterm
- How are people's spendings pinned down? How do firms determine how much to produce? The Keynesian Cross and the multiplier process we learn here is a useful tool when looking at income and spending. (Chapter 11)

WEEK 6 (JULY 24TH – 28TH)

- We add the price level to income and spending to look at the whole picture of the economy. We also learn the model of Aggregate Demand and Supply. (Chapter 12)

WEEK 7 (JULY 31ST – AUGUST 4TH)

- Fiscal policy: How does the government respond to recessions? We study the two main tools of fiscal policy, government spending and taxes. (Chapter 13)
- Money and banking: What is money? What is the bank's role in the creation of money? (Chapter 14)

WEEK 8 (AUGUST 7TH – 11TH)

- Monetary policy: another channel of deliberate intervention on the economy. How does the Federal Reserve respond to recessions? (Chapter 15)

WEEK 9 (AUGUST 14TH – 18TH)

- We end the course by discussing the disinflation in the early 80s and the limits of using monetary policy when promoting growth. We also introduce the Phillips curve, a tool used to analyze the relationship between unemployment and inflation rate. (Chapter 16)
- August 16th: Review for Final
- August 17-18th: Final exam

Prerequisites: A basic level of calculus is required for this class. You should at least know how to read graphs, calculate slopes for linear and nonlinear functions, solve out equations, etc. I recommend going through the ‘Math and Graph Review’ on Launchpad and appendix of Chapter 2 if you need to refresh your calculus.

Important Dates:

Launchpad Homeworks	Due every Monday at 11:00pm
Midterm I	10:50–11:50am, July 18th (Tuesday), 2017 @ CDH 125
Midterm II	10:50–11:50am, July 19th (Wednesday), 2017 @ CDH 125
Final Exam I	10:50–11:50am, Aug 17th (Thursday), 2017 @ CDH 125
Final Exam II	10:50–11:50am, Aug 18th (Friday), 2017 @ CDH 125

University Holidays (No Class):

Independence Day	July 4th (Tuesday)
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Grading Policy: Homeworks from Launchpad (25%), Midterm I and II (35%), and Final exam I and II (40%).

- Homework from Launchpad: There will be weekly sets of questions labeled ‘Graded Homework’. They will be automatically graded in Launchpad. They will consist of questions that ask your understanding of the materials, and I strongly recommend going through the questions thoroughly. **The lowest score of your homeworks will be dropped and not counted towards your final grade.** **Only the parts labeled ‘Graded Homework’ will count towards the final grade.** I might also sometimes assign different parts of the book on Launchpad but these are to assist you with your further understanding of the material and are NOT counted towards your final grade. Your homework on Launchpad will be collectively worth 25% of your course grade.
- Exams: We will have two exams in this class, one midterm (parts I and II) and one final exam (parts I and II). The final exam will NOT be cumulative. Please bring a simple calculator to all of the exams. Graphing calculators are *not* allowed in any of the exams in this course. The midterm and final exams are worth 35% and 40% of your course grade respectively.

Grading and the grade scale: The grades in this class are not curved. The grading policy of the Department of Economics sets the upper boundary for the Median grade in principles of economics courses at 3.1. There is a (preliminary) grade scale, but it will be adjusted along the way to maintain a median grade for this course in the 2.8-3.1 range.

Table 1: Preliminary grade scale

Percentage	Letter Grade Equivalent	Numeric Grade
94-100	A	3.9-4.0
90-93	A-	3.5-3.8
87-89	B+	3.2-3.4
84-86	B	2.9-3.1
80-83	B-	2.5-2.8
77-79	C+	2.2-2.4
74-76	C	1.9-2.1
70-73	C-	1.5-1.8
67-69	D+	1.2-1.4
64-66	D	0.9-1.1
60-63	D-	0.7-0.8
Below 60	F	0.0-0.6

Make-up exams: I will require both the phone number and address of the doctor/clinic in order to verify the authenticity of the documentation you provide. For example, if you miss the second Midterm, I will have the weight for the second Midterm shifted to the Final Exam (meaning your Final Exam will count towards 50% of your course grade). There is no make-up for the Final Exam. If you miss the Final Exam you will earn an incomplete grade for this course.

Course Policy:

- The best way to receive a good grade in this course is to motivate yourself with the desire to learn and do the problems for each chapter regularly. Also, if you have trouble understanding and following the course, seek help immediately. You have a lot of good resources at hand: your peers, the textbook, CLUE sessions, EUB tutoring, and of course, me.
- There will be no extra papers, assignments, or other ways for you to increase your grade anytime during or after the quarter. In case you aim for a certain grade, in order to prevent the chance of a disappointingly low grade, you should aim about a 0.4 grade higher than the minimum grade you desire. For example, if you want to make sure you receive a 3.0 in this class, please aim for at least a 3.4. I have no policy of assigning extra work in order to increase a grade you are not happy with once you commit yourself to attending and completing this course.
- I will not weigh any of your tests in a different manner from the general rule, unless you missed the midterm due to unavoidable circumstances. (I sometimes encounter this type of request after the first exam.) Please do not ask me to possibly weigh some of your tests more or less.

Class Policy:

- Regular attendance is essential and expected for your own learning.
- Be courteous when using mobile devices. Make sure your cell phone is turned fully off or silent. No texting, reading emails, playing games, or whatever else that could distract others from learning.

- Missing one class could easily lead to a disastrous domino effect. If you have to miss a lecture, then I strongly recommend you study the material you missed before you return to class. I will assume that you know all the material covered in class. You are responsible for making up anything that was covered in lectures you missed. If you miss a lecture, I recommend doing the following:
 - Photocopy and read notes from someone else who was in class,
 - Read the relevant sections from the lecture notes, textbook, etc.

After you have done this, contact me if you need clarification on any materials.

Exam Policy:

- Material allowed during a closed book exam
 - All books, papers, notebooks, etc., must be placed inside your backpack or other type of bag, which must be securely and fully closed. If you do not have a bag, you must place all your material out of your reach.
 - Only a basic 4-function or a scientific calculator may be used during an exam. Graphing calculators will not be allowed. Sharing of calculators is not permitted.
 - No other electronic devices can be accessible during the exam. Cellular phones must be turned off before entering the class and placed in your closed bag (not in your pocket). You are not allowed to use a cellular phone during an exam. Doing so will result in the termination of your exam time.
 - Baseball caps and any other kinds of headgear that conceal your eyes are not permitted.
- Attendance and special accommodation
 - You are not allowed to leave the room during the exam. This includes restroom use; be sure to use the restroom before the beginning of the exam.
 - If you arrive late to an exam, you cannot expect to get extra time after the official end of the exam to make up for the missing time at the beginning.
 - If you have a documented disability, please bring documentation from the Office of Disability Resources for Students on the first day of class, so that I can make any arrangements required for accommodations.

Academic Honesty:

1. Exams are individual work and cheating will not be tolerated. Looking at a neighbors exam is considered cheating. If a student is seen committing this act, they will not be allowed to continue taking their exam. The neighbor sitting next to the student will also be duly punished if they are seen as facilitating this act of cheating.
2. Altering an exam before submitting it for a review of the grading, obtaining an advance copy of an examination, or arranging for a surrogate test-taker are all flagrant violations of University policy.

3. Cheating of any kind may result in expulsion from the University. The Department will follow University policy in case of academic misconduct. I strongly recommend that you review the University policy on 'What is Academic Misconduct?' at

<http://www.washington.edu/uaa/advising/finding-help/not-doing-well/>

Students found to have engaged in academic dishonesty will be subject to sanctions, which range from a disciplinary warning to permanent expulsion from the University, depending on the seriousness of the misconduct.